

REMARKS/ARGUMENTS

Claim 1 has been amended as discussed more fully below. Claim 4 has been canceled. Therefore, claims 1-3 remain pending upon entry of the foregoing amendment.

Rejections under 35 U.S.C. §102

Claims 1-4 have been rejected under 35 U.S.C. §102(b) as allegedly being anticipated by Chambon *et al.* ("Chambon") and under 35 U.S.C. §102(e) as allegedly being anticipated by U.S. Patent No. 6,410,755 to Millis *et al.* ("Millis"). These rejections are repeated from the prior Office Action. Reconsideration and withdrawal of these rejections is respectfully requested.

The Examiner asserts that the claims are anticipated because, although neither Chambon nor Millis discloses production of prenyl alcohols such as farnesol by culturing a strain of *Saccharomyces* in the presence of one of the recited oils, each reference discloses the the production of farnesol and/or geranylgeraniol in the presence of a surfactant.

Claim 1 has been amended to delete "a surfactant". Therefore, claim 1 does not read on either Chambon or Millis. Claim 1 has also been amended to reflect the election of *Saccharomyces* for examination. Applicants reserve the right to file divisional applications to prosecute, without prejudice, non-elected subject matter. Claim 4 has been canceled in view of the amendment to claim 1.

Accordingly, it is respectfully submitted that neither Chambon nor Millis anticipates or renders obvious claim 1 as amended. Reconsideration and withdrawal of the rejections under 35 U.S.C. §102(b) and (e) over Chambon and Millis, respectively, is respectfully requested.

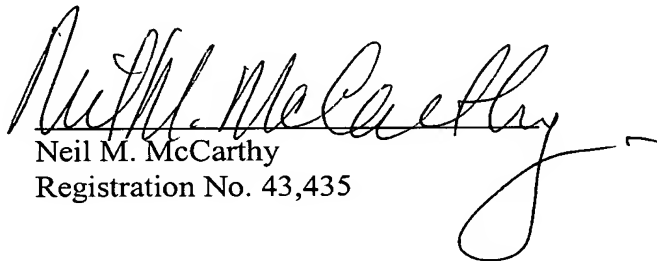
CONCLUSION

It is submitted that the subject application is now in condition for allowance, which action is earnestly solicited. The Examiner is invited to contact Applicants' representative, at the number below, to discuss any matter that would expedite allowance.

Because this response is being submitted within 3 months of the date on the Office Action, is believed that no extension of time fees are required. The Commissioner is, however, authorized to charge Kenyon & Kenyon's Deposit Account No. 11-0600 for any fees deemed necessary, or to credit any overpayment.

Respectfully submitted,

Date: August 4, 2004


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